

1999 HOUSE AGRICULTURE
HB 1338

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1338

House Agriculture Committee

Conference Committee

Hearing Date 1-28-99

Tape Number	Side A	Side B	Meter #
ONE1338	x		0.1 to 38.3
Committee Clerk Signature <i>Arlyn Hansen</i>			

Minutes:

Summary of bill: Labeling requirements for agricultural seed.

Rep Nowatzki: One of sponsor of bill. Make it easier to market specific brands of seed. Turn it over to members of the Industry to explain why they need this bill

Tim Rodermacher: Chairman of Beet Committee of the ND Agricultural Assoc (Testimony attached) this legislation would allow state seed commission to establish and govern the marketing of soybeans under a brand name rather than a brand name variety.

James Swanson: Regulatory supervisor for the ND St Seed Dept. (Testimony attached.)

Responsibility for administrating the seed laws in North Dakota and conducting the regulatory activities of the ND St Seed Dept. The proposed legislation does not specifically address soybean but I think the soybean issue is the one that has precipitated the initiation of this proposal. In the past a number of Soybean Lots (seed) that are entering this State have had a brand identification

but no variety identification as required by current law. Our procedure has been to stop the sale of the Seed Lots until properly identified. Up and to this point there usually has not been a problem almost without exception the labeler has been willing to provide the proper identification on the label. There has been an increasing reluctance from genetic suppliers to share this genetic information with the public.

Rep Renner: Give me an example of this.

Jim Swanson: This legislation, if adopted, would allow our dept. to establish a procedure for registering these brands under a named variety.

Rep Warner: Can a consumer access this information?

Jim Swanson: I guess I don't feel confident to answer that question.

Paul Jamalt: Atty Gen office. This bill would allow the State Seed Dept By administrative rule the to create a variety of administrative system whereby specific crops would be labeled as brands or brand names and not by variety. I believe the intent of HB 1338 was to prevent seed buyers and others from finding out what type of seed was being marketed. Thereby providing some benefits to seed industry for their competitively marketed seeds. (Testimony attached)

Rep Nowatzki: Are any of these genetics covered under federal law?

Paul Jamalt: Plant variety protection act still comes into play.

Doug Johanson: ND St Seed commissioner. Support changes in bill.

Kieth Peltier: Qaulity Seed Company. In favor of soybean legislation. The law in place now makes it a little difficult in labeling requirements. Need this changed.

No opposition to bill. Need amendments

Atty Gen Office: Explained what needed to be done. Atty Gen office to draft amendments.

Rep Berg: What kind of information will you require that's not now available in it. Will you require some genetic information that's not now available.

Atty Gen office: Genetic supplier would register his variety with our agency. Then if he licenses that variety to various seed companies they would also in turn license that brand under that variety.

Rep Stefonowicz: Doesn't that defeat the purpose of this bill if can't keep it confidential?

Atty Gen office: I'm not sure what the intent of the bill was? It may defeat the purpose but I don't know what their intent was>

Rep Stefonowicz: Maybe would have to write an amendment to cover this confidential clause.

Atty Gen office: If the legislature wants to make variety information confidential they would have to specifically say so in the legislation.

Rep Berg: Where in the Atty Gen opinion does it talk about genetic confidentiality.

Atty Gen office: Page 4 middle of page.

Rep Rennerfeldt: Do other states require this information?

Atty Gen office: Not aware of any other states requiring this information.

Rep Mueller: How will this affect the consumer going out and buying a bag of soybeans?

Atty Gen Office: Farmer would buy a bag of soybeans labeled brand x without knowing what the variety was. Have to do an open records request to find this information.

Rep Pollert: What would keep this bill from switching over to wheat or corn etc?

Jim Swanson: Could expand this to any crops listed under the bill.

Chairman Nicholas asked Rep Nowatzki to work with Atty Gen and State Seed Dept to come up with amendments to make this bill work.

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House Agriculture Committee

Bill/Resolution Number Hb 1338x

Hearing Date 1-28-99

Committee action 2-4-99.. Tape # 2 meter # 22 to meter # 32

Rep Nowatzki moved the amendments as presented.

Rep Rennerfeldt: seconded the motion

Amendments address both seed marketed by bag and by bulk. Not just bulk only as original bill need. The rules for this would be written by the State Seed Commission.

Voice vote taken on amendments. carried.

Rep Nowatzki: Moved Do Pass as amended.

Rep Berg.: seconded the motion

Motion for a DO PASS: 12 For 3 Opposed 0 Absent

Rep Nowatzki to carry the bill on the floor

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: _____ Amendment to: HB 1338

Requested by Legislative Council _____ Date of Request: 2-10-99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

This bill will only have an impact on the special funds of State Seed Department. We estimate the cost at approximately \$20,000.

2. State fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenues:	N/A	.00	N/A	\$10,000	N/A	\$15,000
Expenditures:	N/A	.00	N/A	20,000	N/A	15,000

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: None
- b. For the 1999-2001 biennium: \$20,000
- c. For the 2001-03 biennium: 15,000

4. County, City, and School District fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

If additional space is needed, attach a supplemental sheet.

Signed Douglas G. Johansen

Typed Name Douglas G. Johansen

Department ND State Seed

Phone Number (701) 239-7210

Date Prepared: 2/11/99

VK
2/5/99

HOUSE AMENDMENTS TO HOUSE BILL NO. 1338 HOUSE AG 2-8-99

Page 1, line 1, after "4-09-10" insert "and subsection 3 of section 4-09-10.1"

HOUSE AMENDMENTS TO HB 1338 HOUSE AG 2-8-99

Page 3, after line 11, insert:

"SECTION 2. AMENDMENT. Subsection 3 of section 4-09-10.1 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

3. Each bag must have the following information stamped on or otherwise attached to the bag:
 - a. For seeds of wheat, durum, barley, oats, rye, soybeans, edible beans, and flax, the commonly accepted name of the kind and variety of each agricultural seed component. Variety identification is not required if the state seed commission, by rule, provides for a variety registration system allowing specific kinds of crops to be labeled as brands or brand names, nor is variety identification required for seeds labeled "for vegetative cover only".
 - b. For seeds other than those listed in subdivision a, the commonly accepted name of the kind or the kind and variety of each agricultural seed component.
 - c. The lot number or other lot identification.
 - d. The name and address of the labeler or packager.
 - e. For seeds of all certified classes, an official certification tag properly attached to or printed on each bag."

Renumber accordingly

Date: 2-4-99
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1338

House AGRICULTURE Committee _____

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do pass as amended

Motion Made By _____ Seconded By _____

Representatives	Yes	No	Representatives	Yes	No
Eugene Nicholas, Chaiman	✓		Bob Stefonowicz	✓	
Dennis E. Johnson, Vice Chm	✓				
Thomas T. Brusegaard		✓			
Earl Rennerfeldt	✓				
Chet Pollert	✓				
Dennis J. Renner		✓			
Michael D. Brandenburg	✓				
Gil Herbel	✓				
Rick Berg	✓				
Myron Koppang	✓				
John M. Warner		✓			
Rod Froelich	✓				
Robert E. Nowatzki	✓				
Phillip Mueller	✓				

Total (Yes) 12 No 3

Absent _____

Floor Assignment Nowatzki

REPORT OF STANDING COMMITTEE

HB 1338: Agriculture Committee (Rep. Nicholas, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). HB 1338 was placed on the Sixth order on the calendar.

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 - b. For seeds other than those listed in subdivision a, the commonly accepted name of the kind or the kind and variety of each agricultural seed component.
 - c. The lot number or other lot identification.
 - d. The name and address of the labeler or packager.
 - e. For seeds of all certified classes, an official certification tag properly attached to or printed on each bag."

Renumber accordingly

1999 TESTIMONY

HB 1338

TESTIMONY

Fifty-Sixth Legislative Assembly

HB 1338

Chairman Nicholas and members of the House Agriculture Committee. My name is Tim Radermacher, I serve as chairman of the seed committee of the North Dakota Agricultural Association. I am appearing before you today in support of this bill. Current North Dakota law states that in seeds of wheat, durum, barley, oats, rye, soybeans, dry beans, and flax, the commonly accepted name of the kind and variety of each agricultural seed component in excess of five percent of the whole and the percentage of weight by each.

We support an exception - where administrative rules have been adopted by the State Seed Commission providing for a variety registration system whereby specific kinds of crops may be labeled as brands or brand names, variety identification is not required. This bill would allow the State Seed Commission to establish and govern a registration process for branded seed and to allow marketing of soybeans under a brand name rather than a variety name.

Testimony submitted by James E. Swanson, Regulatory Supervisor
North Dakota State Seed Department

Mr. Chairman and members of the committee.

My name is Jim Swanson, I am the Regulatory Supervisor for the North Dakota State Seed Department. I have the responsibility for administering the seed laws in North Dakota and conducting the regulatory activities of the North Dakota State Seed Department. Our primary function as the regulatory agency is to protect the interests of the consumer. Our agency also has the responsibility to ensure that the seed industry in this state is conducted in an efficient and prudent manner.

The North Dakota State Seed Department is not taking a position for or against this Bill as proposed, however, we do have concerns about what is taking place in the industry under the current law.

Although the proposed legislation does not specifically address soybeans, it is soybeans that have precipitated the initiation of this proposal and my comments will be specific to soybeans.

We are finding in our routine regulatory process that there are an increasingly number of soybean lots that are entering this state that have a brand identification, but no variety identification as required by law. Our procedure when discovering this situation is to stop the sale of that product until the variety is properly identified. In these cases, up to this time, almost without exception, the labeler has been willing to provide the variety identification on the label.

There appears to be an increasing reluctance with some genetic suppliers to be willing to provide this information to the public. In some cases, some of the conditions of an agreement with a license or brand labeler requires that the variety name remain confidential. This could result in some varieties not being accessible to growers in the state, if the current law is adhered to.

The other side of the argument that could be made is that a producer should be entitled to information connected to the genetic background or other agronomic information on the product that he is buying.

From an agency standpoint, passage of this legislation would require our Department to establish another level of administrative responsibility, but would also enable our Department to take a proactive approach in dealing with this issue.

The alternative would be to try and function under the current law, which is dealing with the issue from a reactive position, or prohibit branded soybeans entirely from being marketed in North Dakota.

The basic question that must be answered is what direction is going to best serve the producer in the state of North Dakota.

I would be happy to answer any questions.